



# City of Milwaukee

200 E. Wells Street  
Milwaukee, Wisconsin  
53202

## Meeting Minutes

### MILWAUKEE HOUSING TRUST FUND TASK FORCE

**ALD. MICHAEL MURPHY, CHAIR**

**Ald. Michael McGee, Jr., Vice-Chair**

**Tom Capp, Sup. Marina Dimitrijevic, Heather Dummer Combs, Rocky Marcoux, Lucia Murtaugh, Tony Perez, Brian Peters, Leo Ries, Bethany Sanchez, Mike Soika, Robert Shelledy**

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**Monday, June 5, 2006**

**9:00 AM**

**Room 301-B, City Hall**

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*Meeting convened 9:05 A.M.*

#### 1. Roll call

*Members present: Sup. Marina Dimitrijevic, Heather Dummer Combs, Una Van Duvall (designee for Rocky Marcoux), Lucia Murtaugh, Bobbi Marsells (designee for Tony Perez), Brian Peters, Leo Ries, Bethany Sanchez, Mike Soika, Robert Shelledy, Tom Capp, Ald. Michael McGee, Ald. Michael Murphy*

*Also present: Marianne Walsh, Jeff Osterman and Emma Stamps - Legislative Reference Bureau, Richard Li - Comptroller's Office*

#### 2. Review and approval of the minutes of the May 10th meeting

*Mr. Ries moved, seconded by Ms. Van Duvall, for approval of the minutes. There were no objections.*

#### 3. Report and recommendations from the Operational Criteria Subcommittee

*Ms. Sanchez reviewed the recommendations of the Operational Criteria Subcommittee. Ms. Sanchez noted that the agencies providing home buyer counseling would be required to serve low and moderate-income clients, although this is not explicitly stated in the recommendations.*

*Ms. Van Duvall and Mr. Ries were both concerned with having the term of affordability set at 50 years. Ms. Van Duvall was concerned as that length does not match existing terms and Mr. Ries was concerned that capital needs might not be addressed.*

*Ms. Van Duvall moved, seconded by Ms. Sanchez, to amend the recommendations to add extra points for family-supporting wages. There were no objections.*

*Ms. Sanchez moved, seconded by Mr. Soika, that the recommendations will be clarified that individuals from private agencies will be appointed by the agencies themselves. For appointees from the non-profit, for-profit and the financial institutions, those individuals will be appointed by the Common Council president. There were no objections.*

4. Discussion and possible approval of the final report and recommendations of the Task Force

*Ms. Walsh reported that the Comptroller's Office has not yet completed its spreadsheet related to retired tax incremental financing (TIF) funds.*

*The Task Force reviewed the Final Report and Recommendations (Exhibit 1).*

*Financing the Housing Trust Fund:*

*1. Ms. Sanchez moved, seconded by Mr. Ries, to amend the recommendation on page 15 that the fund should be funded "at a minimum" of \$5 million annually. There were no objections.*

*Ald. Murphy met with Antonio Riley a couple of weeks ago and he is interested in pursuing a state-wide housing trust fund. Ald. Murphy moved, seconded by Mr. Capp, that a statewide housing trust fund be supported and funded by a reallocation of the real estate transfer fee, with no loss to local funds.*

*Ald. Murphy noted that it will be a hard political sale to obtain funds, while Mr. Ries noted that he sees some sources as easier sales than others. Ald. Murphy noted that the harder sale will be the continual funding, rather than the one-time \$5 million general obligation bonding. Mr. Shelledy stated that the fund should use its on-going revenue as its first dollars and use the general obligation fund borrowing, if needed. Mr. Capp believes that a clear case can be made of the economic benefits of the fund.*

*Ald. McGee moved to hold more discussion of the bonding issue in order to allow someone from the Comptroller's Office to be present to answer questions.*

*3. Mr. Ries moved, seconded by Mr. Capp, to amend this recommendation to note that any revenue generated from the Potawatomi gaming fees in excess of \$3.38 million would be diverted to the fund. There were no objections.*

*4. Approved as drafted. 11 ayes, 2 noes (Mr. Ries and Ald. Murphy voting "no")*

*5. Approved as drafted. 9 ayes, 4 noes (Ms. Van Du Vall, Ms. Marsells, Mr. Ries and Ald. McGee voting "no")*

*6. Not approved as drafted. Failed by a vote of 4 - 9 (Mr. Capp, Sup. Dimitrijevic, Ms. Van Du Vall, Ms. Marsells, Mr. Peters, Mr. Ries, Mr. Shelledy, Ald. McGee, Ald. Murphy voting "no")*

*7. Mr. Ries moved merger of subitems 5 and 6 into one subitem to read, "Have the Dept. of Administration - Intergovernmental Relations Division lobby state government to create a state housing trust fund to be funded, at least in part, by real estate transfer fee proceeds, with no funds coming from local government. Specifically, this housing trust fund should be funded by 5% of the real estate transfer fee revenues (i.e. the share of transfer fee revenues retained by the State for other purposes, would be reduced from 80% to 75%) and that an increase in the real estate transfer fee from \$3 to \$4 per \$1,000 with the increased funds going to either a state or local housing trust fund." There were no objections.*

*There were no objections to the other subitems contained in item 7.*

*Richard Li from the Comptroller's Office appeared to address questions related to*

*repayment of \$5 million general obligation bond.*

*Ms. Ries moved, seconded by Ms. Duvall, to add a recommendation that any new payment in lieu of taxes (PILOT) funds be diverted to the housing trust fund. Mr. Soika abstained on the vote and there were no objections.*

*Mr. Soika would like to have a section added to the report delineating the economic benefits of creating a housing trust fund. There were no objections.*

*Mr. Li provided members with a spreadsheet (Exhibit 2) showing borrowing of \$5 million and explained how the borrowing would be accomplished.*

*Mr. Ries moved for approval of recommendation 2 (general obligation borrowing of \$5 million), with Ms. Dummer Combs noting that that interest will be paid by the taxpayers, not the fund itself. This would result in the borrowing being tax-levy supported, rather than offset by a revenue source. Approved as amended. 10 ayes, 3 noes (Ms. Marsells, Mr. Peters and Ald. McGee voting "no")*

*Operation of the Housing Trust Fund:*

*2. The Board will review the assessment of housing needs, not create a study.*

*7. Mr. Ries moved, seconded by Ms. Marsells, to have the income amount increased from 100% to 120%. Ms. Van Duvall noted that assistance programs typically end at 80%. Failed. 3-10 (Mr. Capp, Sup. Dimitrijevic, Ms. Dummer Combs, Ms. Van Du Vall, Ms. Murtaugh, Ms. Marsells, Mr. Peters, Mr. Ries, Ms. Sanchez and Mr. Soika voting "no")*

*Ms. Sanchez moved that for homeowners seeking home improvements, the income limit be set at 65% of median county income. The 100% of median income would apply to new construction, with the 65% income limit applying to existing eligible homeowners in their own homes. Mr. Ries offered a friendly amendment to provide modest incentives for existing homeowners (not to exceed \$5,000 per household) and not to exceed 65% of median county income for homeowners. Mr. Capp offered a friendly amendment to have a "modest incentive program" up to 100% (but not specify a specific amount) and keep the income limit at 65% for homeowners for significant home improvements. There were no objections.*

*9. The funds would be tracked.*

*11. Only the first floor needs to be accessible.*

*Ald. Murphy also asked that dollar amounts, rather than percentages of county median income, be added so that it will be clearer to the reader, and that text be added to note that the trust fund will be working to leverage additional funds.*

*Mr. Peters moved that a recommendation be added noting that funds can be used for accessibility and visibility uses in all categories with income limits still in place. There were no objections.*

*Ms. Sanchez moved, seconded by Mr. Ries, for approval of all the recommendations as amended. There were no objections.*

5. Set next meeting date and agenda, if needed

*There will be a final meeting to review the completed report and to discuss how the political process will flow.*

*June 15th at 9 a.m.*

*Meeting adjourned: 11:10 A.M.*

*Linda M. Elmer*

*Staff Assistant*